

**COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION**

FISCAL NOTE

L.R. No.: 1301-01
Bill No.: SB 459
Subject: Insurance - Medical; Health Care; Insurance Dept.
Type: Original
Date: February 24, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS
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FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan** and **Department of Insurance** assume the proposal will not fiscally impact their organizations.

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of the proposal on the MHP.

Officials from the **Department of Transportation** state since this proposal pertains to health services corporations, HMOs, and managed care entities only and does not pertain to the Highway & Patrol Medical Plan, there would be no fiscal impact to the Missouri Highway Transportation Commission or the Highway & Patrol Medical Plan.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposed legislation establishes specific criteria, which if met, would allow the director of insurance to deem a managed care plan's network adequate. The specific criteria is for a Medicare + Choice ASSUMPTION (continued)

coordinated health plan, or managed care plans accredited by the National Committee for Quality Assurance (NCQA) or the Joint Commission on the Accreditation of Health Organizations (JCAHO). The listed criterion does not apply to the managed care plans contracted with the DMS for the Medicaid program. Therefore, there is no fiscal impact to the DMS.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal deems a managed care plan's network as adequate if the managed care plan is: (1) A Medicare + Choice coordinated care plan offered by the health carrier pursuant to a contract with the federal centers for medicare and medicaid services; (2) A managed care plan that has been accredited by National Committee for Quality Assurance (NCQA), and such accreditation is in effect at the time the access plan is filed; or (3) The managed care plan's network has been accredited by the Joint Commission on the Accreditation of Health Organizations at a level of accreditation without type I recommendations or better. If the accreditation applies only to a portion of the managed care plan's network, only the accredited portion will be deemed adequate (Section 354.603).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation

HW-C:LR:OD (12/02)

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Department of Social Services
Department of Public Safety -
Missouri Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA
DIRECTOR
FEBRUARY 24, 2003